



REPUBLIC OF BOTSWANA

REMARKS

BY

**HIS EXCELLENCY DR. MOKGWEETSI E. K. MASISI
PRESIDENT OF THE REPUBLIC OF BOTSWANA**

ON THE OCCASION OF THE

LAUNCH OF THE REVISED CEDA GUIDELINES

TIME: 1830HRS

DATE: 16th July 2020

- **Director of Ceremonies;**
- **Minister of Investment Trade and Industry, Honourable Peggy O. Serame;**
- **Honourable Cabinet Ministers here present;**
- **Assistant Minister of Investment Trade and Industry, Honourable Karabo S. Gare;**
- **Honorable Council Chairman and Sub Council Chairman and Honorable Councillors**
- **Chairman of Ntlo Ya Dikgosi Kgosi Puso Gaborone**
- **Chairman of the Citizen Entrepreneurial Development Agency (CEDA) Dr. Alfred Tsheboeng and Members of the Board of Directors;**
- **Chief Executive Officer of CEDA, Mr. Thabo Thamane;**
- **Distinguished Guests;**
- **Ladies and Gentlemen;**

A Good Evening to you all.

1. It is indeed an honour for me to be with you here today, to address you on this important occasion - the official launching of the revised Citizen Entrepreneurial

Development Agency (CEDA), Guidelines. This momentous occasion is testimony to our concerted efforts as Government, to develop a sustainable and competitive economy in pursuit of our aspirations and goals as contained in our National Vision 2036 Document.

2. **Ladies and Gentlemen,** today more than ever before, there is an urgent need for us as a nation to ensure the growth and diversification of our economy, led by the private sector. The global outbreak of the COVID-19 pandemic has brought to the fore, the need to move with speed and agility as a country to ensure that our National Development Agenda is fully implemented for the benefit of our citizens.

3. To this end, the preparation of the National Transformation Strategy which will give us a clear path to the economic Transformation Agenda to move our country to a high income status by 2036, is now at a very advanced stage following our meetings today. However, Government is aware that the attainment of our aspirations can only be achieved through the active participation of the private sector.

4. In this context, I wish to remind you that this sector plays a critical role in ensuring that as we implement our National Development Agenda, we do so in an inclusive and competitive manner.

5. **Ladies and Gentlemen,** Government will continue to explore avenues to empower Batswana to facilitate their participation in the growth and diversification of our economy. In this regard, sectors such as agro-processing, manufacturing, agriculture, creative industry, tourism, mining, technology and innovation have been identified as industries that will significantly add value to our efforts in economic diversification and job creation.

6. We therefore must ensure that young people, yes, young people play a leading role in these sectors by providing access to funding and a conducive environment for their businesses to flourish.

7. It is for this and other reasons that Government has made a commitment to review some of our legislation and policies to facilitate private sector growth and development. For example, the Online Business Registration System (OBRS) which went live in June last

year 2019, has resulted in the reduction of the Starting-a-Business process from nine to seven days, as it has combined name reservation, declaration and registration into a single service.

8. The integration of the OBRS with other systems such as those of the Botswana Unified Revenue Services (BURS), the Civil and National Registration system and Public Procurement and Asset Disposal Board (PPADB) has been completed and is operational. Government has also done away with the licensing of businesses that do not have health and safety risks under the provisions of the amended Trade and Industrial Development Acts.
9. **Distinguished Ladies and Gentlemen,** Government has reviewed the CEDA guidelines to ensure our responsiveness to an increasingly dynamic and unpredictable national and global economic environment with a view to support and entrench broad based citizen economic empowerment in Botswana.
10. I want to highlight that these guidelines were revised in line with the recommendations of a study which was

conducted to identify business opportunities particularly,
within the manufacturing sector.

11. The Guidelines are aimed at;

- facilitating citizens to venture into business by providing favourable lending terms with regard to;
 - loan limits,
 - interest rates,
 - repayment periods,
- equity component,
- service fees and security requirements,
- equipping citizens with entrepreneurial and management skills, training and mentoring services as well as;
- facilitating access to loans by the youth, women and people with disabilities, in short, inclusivity.

12. I am also happy to announce that;

- Loan limits have been increased for small businesses to One Million Pula (P1 million), medium businesses Ten Million Pula (P10 million) and large businesses Fifty Million Pula (P50 million).
- The interest rate for loans for small scale businesses in the special sectors of manufacturing, technology and innovations, agriculture, the creative industry and tourism, has been lowered by 3% from the current prime lending rate of 5.75% to make it

2.75% and the repayment period has been increased from five to seven years.

- For medium and large scale businesses, the interest rate for special sectors, has been reduced by 1.5% from the current prime lending rate of 5.75% to make it 4.25% and the repayment period for these businesses has been increased from a maximum of 15 years to 20 years.
- CEDA loans of up to Fifty Million Pula (P50 million) will no longer require collateral as before. Instead security in the new guidelines will be;
- Provided through personal surety and security based on the value of assets funded by CEDA.
- However, this will only apply to critical sectors namely;
 - agro-processing,
 - construction,
 - technology and innovation,
 - energy,
 - manufacturing,
 - agriculture,
 - tourism,
 - mining and the
 - creative industry.

- For the creative industry, artists will be required to use their intellectual property as security.
- Government has also ensured the broad participation of citizens across key and priority sectors through a balanced mix of incentives.

In due course, the Honourable Minister of Investment, Trade and Industry and other Ministers, MPs from across the political divide as well as magosi will give more details on the implementation of the revised guidelines. I urge you to jealousy guard against what is yours. Don't take and then give away.

13. I am confident that these revised guidelines will contribute in no small measure, to the economic empowerment of our people. I am pleased to inform you that since 2015, CEDA has created about Fifteen Thousand (15, 000) jobs, through the funding of Five Thousand, Four Hundred and Ten (5,410) businesses, supported by a domestic investment of Two Billion, Three Hundred and Forty Three Million Pula (P2, 343 billion).
14. Furthermore, CEDA continues to play a critical role in facilitating improved financial and economic inclusion in

the micro finance segment. A good example is the Mabogo Dinku product, which has supported Eight Hundred (800) groups since 2016, comprising Three Thousand (3000) individuals, funded at Twenty Seven Million and Four Hundred Thousand Pula (P27.4 million). This has in turn created Three Thousand, Five hundred and Thirty Four (3,534) jobs nationwide.

15. The recently launched Letlhabile product by CEDA, which is meant to revitalize the informal sector in the wake of the COVID-19 pandemic, has also attracted One Thousand, Five Hundred and Five (1505) applications and funds amounting to Six Million, Seven Hundred Thousand Pula (P6.7 million) have been approved and spent to support the programme.

16. **Ladies and Gentlemen**, the readiness of Government to fund and empower Batswana should serve as an encouragement to all of us, because this pandemic, in spite of its adverse socio-economic impact, has provided opportunities for business development that are worth exploring. These include participation in the Fourth Industrial Revolution (4IR) which calls for positioning the

country on a transitory path to a digital economy with focus on fostering growth in technology and innovation.

17. As Government, we see the need to foster an export led economy, with a view to create sustainable and competitive Small and Medium Enterprises (SMMEs). You will agree with me that Government initiatives such as these revised guidelines will go a long way in our response to ensure a competitive, sustainable and diversified export base that will ultimately reduce our import bill as a country.

18. We also have the responsibility to capacitate our people where they are lacking. In this regard, efforts will be stepped up to promote locally manufactured goods and services. For example, the next COVID-19 Task Force Team meeting in July will be held at Gamononyane lands (near Metsimotlhabe), where a citizen has taken advantage of the Government's recent new policy that allows for part use of arable field for agro-tourism activities, such as event hosting, and government will pay for using the venue.

As I conclude, I also want to challenge CEDA to reduce their loan application assessment turnaround times in order to assist as many applicants as possible, on a timely basis.

19. **Distinguished Guests, Ladies and Gentlemen,** with these remarks, it is now my singular honour to officially launch the revised CEDA Guidelines.

20. I thank you for your attention.

PULA!